

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**Division of Housing Policy Development**

1800 Third Street, Suite 430
P. O. Box 952053
Sacramento, CA 94252-2053
(916) 323-3177 / FAX (916) 327-2643
www.hcd.ca.gov



December 14, 2004

Mr. Demitrios Tatum
County Executive
Merced County
2222 M Street
Merced, California 95340

Dear Mr. Tatum:

RE: Review of the County of Merced's Adopted Housing Element

Thank you for submitting Merced County's housing element, adopted by the Board of Supervisors on September 28, 2004 and received for review on October 4, 2004. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

As you know, the Department's June 30, 2004 review found the draft revisions addressed the statutory requirements of housing element law. Given the element was formally adopted and now includes all revisions, the Department is pleased to find Merced County's housing element in compliance with State housing element law (Article 10.6 of the Government Code). The Department commends Merced County's leadership in developing and implementing programs that will guide development to areas where infrastructure is adequate and available, provide greater opportunities to address local housing needs, and preserve agricultural lands while accommodating needed housing growth for all income levels. Effective implementation of land-use and housing programs will address existing and projected housing needs creating viable residential development opportunities within the unincorporated area.

As described in the Department's June 30, 2004 review, the finding of compliance is conditioned on the County increasing residential development capacity via its proposed rezone and community plan update strategies (Implementation Measures 1A.5 and 3A.1). The County's 2005 general plan implementation progress report, as required by Government Code Section 65400, should demonstrate the Planada and Delhi community plan updates have been initiated. All rezones necessary for the County to accommodate its regional housing need for lower-income households must be completed by June 2006. If the requisite implementation actions are not completed by June 2006, the County's housing element will no longer identify adequate sites and will require immediate and specific action to amend the housing element and identify alternate appropriately zoned sites.

The County's annual report is due to the local legislative body and this Department by October 1 of each year. Failure to submit forthcoming annual reports by the due dates or other evidence of completion of program commitments, with the necessary evaluation and information, will trigger a review by the Department of the implementation status of the identified programs and the compliance status of the element.

Also, for your information, upon completion of an amended or adopted housing element, a local government is responsible for distributing a copy of the element to area water and sewer providers (Government Code Section 65589.7). This section of the law requires public and/or private water and wastewater providers give a priority to proposed housing development projects for lower-income households in their current and future resource or service allocations. Local public and/or private water and sewer providers must grant a priority for service hook-ups to developments that help meet the community's share of the regional need for lower-income housing.

In addition, because the County's adopted housing element is in compliance, it has met one of the threshold requirements for an innovative new program that rewards local governments for approving affordable workforce housing. The Workforce Housing Program, funded by Proposition 46, provides grant funds to eligible local governments for every qualifying unit permitted, beginning calendar year 2004. Grant awards can be used to fund any capital asset project, such as transportation or park improvements. More specific information about the program is available on the Department's website at <http://www.hcd.ca.gov/ca/whrp/>.

The Department wishes the County of Merced much success in implementing its housing, land-use, and development assistance programs, and looks forward to following the County's annual progress and achievements through its forthcoming general plan implementation progress. If we can provide any additional assistance in implementing the County's housing element, please contact Don Thomas, of our staff, at (916) 445-5854.

In accordance with their requests pursuant to the Public Records Act, we are forwarding a copy of this letter to the individuals listed below.

Sincerely,

A handwritten signature in black ink that reads "Cathy E. Creswell". The signature is written in a cursive, flowing style.

Cathy E. Creswell
Deputy Director

cc: Bill Nicholson, Planning Director, Merced County
John LeVan, Senior Planner, Merced County
Mark Stivers, Senate Committee on Housing & Community Development
Suzanne Ambrose, Supervising Deputy Attorney General, AG's Office
Terry Roberts, Governor's Office of Planning and Research
Nick Cammarota, California Building Industry Association
Marcia Salkin, California Association of Realtors
Marc Brown, California Rural Legal Assistance Foundation
Rob Weiner, California Coalition for Rural Housing
John Douglas, AICP, Civic Solutions
Deanna Kitamura, Western Center on Law and Poverty
S. Lynn Martinez, Western Center on Law and Poverty
Alexander Abbe, Law Firm of Richards, Watson & Gershon
Michael G. Colantuono, Colantuono, Levin & Rozell, APC
Ilene J. Jacobs, California Rural Legal Assistance, Inc.
Richard Marcantonio, Public Advocates
Ted Kreines, AICP
Monique Chavoya, Fair Growth and Sustainable Development Fellow